

COASTAL CONSERVANCY

Staff Recommendation

April 27, 2006

MARSH CREEK WATERSHED STEWARDSHIP PROGRAM

File No. 03-146

Project Manager: Betsy Wilson

RECOMMENDED ACTION: Authorization to amend the Conservancy's December 11, 2003 authorization to allow disbursement of an additional amount up to \$116,000 to the Natural Heritage Institute to implement the Marsh Creek public outreach program and plan the restoration of lower Marsh Creek.

LOCATION: Marsh Creek Watershed, Contra Costa County (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Marsh Creek Watershed Map

Exhibit 2: Marsh Creek and Dutch Slough Location Map

Exhibit 3: December 11, 2003 Staff Recommendation

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31164 of the Public Resources Code:

“The State Coastal Conservancy hereby amends its December 11, 2003 authorization to add the disbursement of an amount not to exceed one hundred and sixteen thousand dollars (\$116,000) to the Natural Heritage Institute to implement the Marsh Creek public outreach program and plan the restoration of lower Marsh Creek in Contra Costa County, subject to the following conditions:

1. Prior to the disbursement of any funds, the Natural Heritage Institute shall submit for the review and approval of the Executive Officer of the Conservancy an amended work program, amended schedule, amended budget, and any contractors to be employed in implementation of the project.
2. Prior to the disbursement of the final \$36,000 in funds, the California Bay-Delta Authority and the State Coastal Conservancy shall enter into an amended Interagency Agreement which provides an additional \$46,200 in grant funds to the Conservancy for the Marsh Creek Watershed Outreach and Restoration Project.

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Public Resources Code Sections 31160–31164, regarding the Conservancy’s mandate to address the resource and recreational goals of the San Francisco Bay Area.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The Natural Heritage Institute is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the California Public Resources Code.”

PROJECT SUMMARY:

In December 2003, the Conservancy authorized acceptance of a \$357,146 grant from the California Bay-Delta Authority (CBDA) to implement a public outreach program in the Marsh Creek watershed in Contra Costa County and to conduct planning for restoration of lower Marsh Creek (see Exhibit 3 for December 2003 staff recommendation). In February 2006, CBDA approved an amendment request from the Conservancy to extend the term of the agreement from October 15, 2006 to October 15, 2007 and for an additional \$46,200 in CBDA grant funds. The Conservancy will receive a total of \$402,600 in CBDA grant funds to implement the Marsh Creek Watershed Outreach and Restoration Project.

To date, to implement various components of the Marsh Creek Watershed Outreach and Restoration Project, the Conservancy has authorized the disbursement of \$247,000 of the CBDA grant funds, including \$117,000 to the Natural Heritage Institute (NHI), \$70,000 to the Contra Costa Resource Conservation District (Contra Costa RCD), and \$60,000 to the Delta Science Center.

This authorization would enable the Conservancy to disburse an additional \$116,000 of CBDA grant funds to NHI to implement the Marsh Creek public outreach program and plan the restoration of lower Marsh Creek. This will be the final authorization of funds for the Marsh Creek Watershed Outreach and Restoration Project.

Additional Funds to NHI for Public Outreach and Restoration Planning

Of the requested additional \$116,000 in CBDA funds to be provided to NHI, \$100,000 will be used to design and implement a data collection and monitoring program to collect information about water quality and sediment loads in Marsh Creek, including a mercury sampling program. NHI will select and manage a data and water quality monitoring consultant to complete this task. The final product of the data collection and water quality monitoring component will be a data report; the data report will help in the development of the final design report for restoration of lower Marsh Creek. Through the previous authorization of funds, NHI is responsible for producing the final design report.

The restoration planning portion of the Marsh Creek Watershed Outreach and Restoration Project, of which the water quality monitoring program is a vital component, will produce a

restoration plan for 100 acres of wetlands and hundreds of linear feet of floodplains along the urbanizing reaches of Marsh Creek. In addition, one of the main goals of the restoration planning of lower Marsh Creek is to integrate the project into the adjacent Dutch Slough Wetland Restoration Project (Exhibit 2). It is anticipated that the lower Marsh Creek restoration project will provide approximately 750,000 cubic yards of fill material for the Dutch Slough Wetland Restoration Project, which will reduce the cost of the project. The restoration of lower Marsh Creek and the Dutch Slough Wetland site would restore habitat for several endangered species, including Sacramento splittail, Chinook salmon, delta smelt, and western pond turtle.

The remaining \$16,000 of the requested additional \$116,000 in CBDA grant funds to be provided to NHI will be used to cover project management and administration costs, coordination of outreach activities, and riparian corridor planning efforts. The previous efforts of the Marsh Creek Watershed Outreach and Restoration Project have established a successful outreach and education program in the Marsh Creek Watershed area, including the formation of the Friends of Marsh Creek Watershed group. The additional funding will enable NHI to continue working with and attending the Friends of Marsh Creek Watershed group for an additional year, thus building on the momentum created by earlier outreach efforts. NHI will also be able to work with developers and city staff to incorporate creekside restoration into several pending creekside developments in the cities of Brentwood and Oakley.

Background on the Natural Heritage Institute

NHI, in partnership with the Conservancy, CBDA, the State Department of Water Resources (DWR), The Conservation Fund, and the City of Oakley, is involved with the Dutch Slough Wetland Restoration Project, a 1,166-acre wetland restoration project located adjacent to lower Marsh Creek (Exhibit 2). One of the main goals of the restoration planning component of the Marsh Creek Watershed Outreach and Restoration project is to integrate the restoration of lower Marsh Creek into the Dutch Slough Wetland Restoration Project.

NHI is a nonprofit organization that uses its technical expertise to develop innovative solutions to environmental problems. NHI has worked on numerous projects related to habitat restoration and water supply in the Bay Delta system and has extensive experience working in the Marsh Creek watershed. NHI was a co-applicant with the Conservancy for the CBDA grant and has played a critical role in identifying other project partners.

Site Description: The Marsh Creek watershed covers an area of approximately 75,000 acres in eastern Contra Costa County, flowing over an area from Mount Diablo to the Delta (Exhibit 1). Much of the upper watershed is protected land, including Cowell Ranch State Park and East Bay Regional Park District's Morgan Territory Preserve. A flood control reservoir, owned by the Contra Costa County Flood Control and Water Conservation District, is located upstream from the city of Brentwood and the lower section of the creek is a levied flood control channel. Marsh Creek enters the Delta between the East Bay Regional Park District's Big Break Regional Shoreline and the DWR's Dutch Slough property.

As with most watersheds in the San Francisco Bay Area, Marsh Creek has been modified extensively during the past 200 years. The volume and the timing of water flowing down the creek have been altered and the quality of that water degraded. The shape and position of the creek have also been changed. Today, the creek is confined to a linear flood control channel in its lower section. However, compared to other urban creeks, Marsh Creek still provides quality habitat for a number of native species, including river otters, western pond turtles, and Chinook

salmon. Recent studies by NHI and others have identified several opportunities for restoration along the creek and some of these projects are being implemented through other grant funds. While development is encroaching around the creek, there is still a significant amount of open land along the riparian corridor. A public trail allows for continuous public access along the creek from Big Break through Brentwood.

Project History: In December 1999, the Coastal Conservancy gave a grant to the NHI to help fund planning of the Delta Science Center and to identify restoration opportunities in the Marsh Creek Watershed. Under the Conservancy's 1999 grant, NHI identified restoration opportunities along Marsh Creek. The City of Brentwood and NHI have received grants from the DWR's Urban Streams Program and the State Department of Parks and Recreation Riparian Program to fund two of these restoration projects. In addition, the Conservancy has provided funding to evaluate removal of a fish passage barrier on the creek.

Marsh Creek flows along the western boundary of the 1,166-acre Dutch Slough Wetland Restoration Project. For more than four years, the Conservancy has worked with DWR, NHI, The Conservation Fund, the City of Oakley, CBDA, and others to implement this restoration project. The main goal of the restoration planning component of the Marsh Creek Watershed Outreach and Restoration Project is to integrate the restoration of lower Marsh Creek into the Dutch Slough Wetland Restoration Project.

PROJECT FINANCING:

Coastal Conservancy – Prop. 40 Funds	\$ 3,000
California Bay-Delta Authority Grant (Initial Funds)	356,400
California Bay-Delta Authority Grant (Additional Funds)	<u>46,200</u>
Total Project Funds	\$405,600
Natural Heritage Institute (Previously Authorized)	\$ 117,000
Natural Heritage Institute (Pending Authorization)	116,000
Contra Costa RCD (Previously Authorized)	70,000
Contra Costa RCD (Pending Augmentation)	6,000
Delta Science Center (Previously Authorized)	60,000
Coastal Conservancy (for CBDA grant admin.)	<u>36,600</u>
Total Use of Funds	\$405,600

In April 2004, the Conservancy entered into an Interagency Agreement (CBDA-Conservancy Interagency Agreement) with CBDA to receive \$356,400 in grant funds for the Marsh Creek Watershed Outreach and Restoration Project. In February 2006, CBDA approved the Conservancy's request for a one-year term extension and \$46,200 in additional CBDA grant funds. Conservancy staff is currently working on a written amendment to the CBDA-Conservancy Interagency Agreement to implement the approval.

This authorization would enable the Conservancy to disburse an additional \$116,000 of CBDA funds to NHI to implement the Marsh Creek public outreach program and plan the restoration of

lower Marsh Creek. This will be the final authorization of funds for the Marsh Creek Watershed Outreach and Restoration Project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed authorization is consistent with Public Resources Code Sections 31160-31164, regarding the Conservancy's mandate to address the resource and recreational goals of the San Francisco Bay Area. Specifically, Section 31162(b) directs the Conservancy to protect, restore, and enhance watersheds of regional importance. The Marsh Creek watershed is regionally important because it provides habitat to a number of listed species, it links together significant open space areas, and a regional trail follows along the creek for several miles. This project will help to protect, restore, and enhance these important resources.

The Marsh Creek Watershed Outreach and Restoration project satisfies all of the criteria for determining project priority under Section 31163(c), since the project: 1) is supported by adopted regional plans including the City of Brentwood's General Plan and the Contra Costa RCD's Marsh Creek Watershed Issues Catalog; 2) serves a regional constituency by restoring and protecting habitat for a number of listed species; 3) can be implemented in a timely manner; 4) provides benefits that would be lost if the project is not quickly implemented; and 5) is predominantly funded by CBDA grant funds.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 10, Objective B** of the Conservancy's Strategic Plan, the proposed project will collect information that will help identify future opportunities to enhance the riparian habitat in Marsh Creek. The project also provides technical assistance to the cities of Oakley and Brentwood to assist with incorporating creekside restoration into pending development projects.

Consistent with **Goal 11 Objective C**, the proposed project will help develop an interpretive program that is linked to real restoration projects and will serve an urban population.

Consistent with the Conservancy's Long Term Financial Strategy, this project will bring outside funding to the Conservancy that will implement a priority project.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.

2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Support of the public:** The grant application to CBDA included letters of support from many individuals and organizations, including Assemblywoman Leach, State Senator Torlakson, County Supervisor Uilkema, Liberty Union High School Superintendent Smith, Brentwood Union High School Superintendent Adams, the Mayor of Brentwood, the Mayor of Oakley, the President of the Delta Informal Gardeners, the General Manager of East Bay Regional Park District, the President of the Ironhouse Sanitary District, the General Manager of the County Mosquito and Vector Control District, and others. These letters were attached to the December 2003 staff report.
4. **Location:** The proposed project is located in Contra Costa County, within the jurisdiction of the San Francisco Bay Program.
5. **Need:** The Conservancy is responsible for completing a number of deliverables as identified in the CBDA-Conservancy Interagency Agreement, including a water quality and sediment monitoring data report and a final design report for the restoration of the lower Marsh Creek. Without the Conservancy’s authorization to disburse CBDA grant funds, the Conservancy and NHI will not be able to complete the required deliverables and NHI will not be able to complete design plans for the restoration of 100 acres of wetlands and hundreds of feet of floodplain along lower Marsh Creek. An opportunity to integrate the lower Marsh Creek restoration project with the Dutch Slough Wetland Restoration Project, which will result in reduced project costs, will also be missed.

The additional funding for public outreach is needed to continue NHI’s successful public outreach efforts for an additional year. This will enable NHI to build on the momentum for community engagement and public participation in restoration efforts in the Marsh Creek watershed.

6. **Greater-than-local interest:** Marsh Creek is a significant regional resource, and the watershed outreach program will work with a number of communities in the area to improve public understanding of this resource and create opportunities for the community to get involved in resource protection.

The data collection and water quality monitoring component will help develop alternatives for restoring lower Marsh Creek in connection with the Dutch Slough Wetland Restoration Project. The restoration of lower Marsh Creek and the Dutch Slough Wetland site would restore habitat for several endangered species, including Sacramento splittail, Chinook salmon, delta smelt, and western pond turtle.

Additional Criteria

7. **Urgency:** Both Oakley and Brentwood are rapidly developing communities. As development is approved, there are important opportunities to protect the resources of the creek through control of storm water and preservation of the riparian corridor. As new residents move into these communities, there is a need to educate people about the natural resources of the region. Additional funding will enable NHI to continue and expand its successful public outreach efforts, including work with the Friends of Marsh Creek Watershed group and the cities of Brentwood and Oakley.

The data collection and water quality monitoring information is needed to complete the restoration planning of lower Marsh Creek and to integrate the project into the adjacent Dutch Slough Wetland Restoration Project. Integrating the two restoration projects will decrease project costs because the lower Marsh Creek restoration will provide approximately 750,000 cubic yards of fill material to the Dutch Slough Wetland Restoration Project. Without the water quality monitoring data, there will not be enough information to integrate the two projects and the cost of the Dutch Slough project will increase due to lack of available fill material.

8. **Resolution of more than one issue:** The watershed outreach project educates the public, creates opportunities for the community to improve their environmental quality, and helps implement long-term plans for protecting the creek corridor and restoring wetlands in the watershed. Restoration of lower Marsh Creek and the adjacent Dutch Slough Wetland will create habitat for several endangered species.
9. **Leverage:** See the “Project Financing” section above.
10. **Readiness:** The public outreach component of the project is already underway. NHI has done preliminary work to identify a water quality consultant and anticipates selecting and contracting with a consultant shortly after funding is approved.
11. **Realization of prior Conservancy goals:** See “Project History” above.
12. **Cooperation:** The Marsh Creek Outreach and Restoration Project is a cooperative effort between the Conservancy, CBDA, NHI, the Contra Costa RCD, and the Delta Science Center to protect and restore the Marsh Creek Watershed through a variety of public outreach, education, and planning efforts.

COMPLIANCE WITH CEQA:

The proposed project is exempt from CEQA under the following provisions of 14 California Code of Regulations:

- 1) Development of public education materials in the outreach program is categorically exempt from review as provided in Section 15322(a).
- 2) Trash clean-up along the flood control channel and planting native plants along the creek are categorically exempt from review as provided in Section 15304(b), as it consists of minor alterations to land.
- 3) Development and implementation of a data collection and water quality monitoring program is categorically exempt from review as provided in Section 15306, as it consists of data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Further, staff has determined that the various activities that comprise the Marsh Creek Watershed Outreach and Restoration project do not cumulatively have a significant adverse affect on the environment. Upon approval, staff will file a Notice of Exemption for this project.